GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:4231
ANSWERED ON:11.08.2016
Financial Assistance
Pathak Smt. Riti

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government is awarethat the shipping industry is not gettingadequate financial assistance from thebanking sector in the country;
(b) if so, the details thereof along withthe reasons therefor; and
(c) the steps taken/being taken by theGovernment to provide required financialassistance to this industry in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a)&(b):Yes, Madam. Shipping industry has to depend largely on borrowed funds. As a result of global recession, the banking sector has quoted higher interest rate as compared to the rates they were quoting before the recession. This has impacted the pace of acquisition of shipping companies. The impact on each company would however, vary depending on the size of the company, its track record and strength of its balance sheet.

(c): The Ministry of Shipping had taken up the proposal of Indian National Shipowners' Association (INSA), a representative body of Indian shipping companies, with the Ministry of Finance for creation of Rs.10,000 Crores corpus for providing credit facilities to Indian Shipping Companies for acquisition of ships. On the advice of Ministry of Finance, Indian Bank Association (IBA) had constituted a Working Group to examine the request of Shipping Industry for extension of credit facilities for purchase of ships. Thereafter, IBA has advised that the shipping companies should take up the matter with the individual banks.
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